



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

Phone 800-227-8917

<http://www.epa.gov/region08>

May 27, 2004

Ref: ENF-L

BY FACSIMILE AND U.S. MAIL

Kevin Murray, Esq.
LeBoeuf, Lamb, Greene & MacRae
1000 Kearns Building
136 South Main Street
Salt Lake City, Utah 84101

Dear Mr. Murray:

Thank you for your letter of May 24, 2004. I have reviewed the letter and appreciate PacifiCorp's effort to work with the model language. I wish to point out that there was a typographical error in item #10 of my May 20, 2004 letter to you. As the paragraph clearly indicates, the last line should have indicated that EPA would not be making the requested change. I also appreciate PacifiCorp's willingness to move towards a compromise on the stipulated penalty for work takeover. After receiving the offer of \$45,000, I spoke with the On-Scene Coordinator to verify whether the \$600,000 sought in the proposed order was still an appropriate estimate of the direct cost of the work. I was informed that \$700,000 was a better estimate. Nor is \$45,000 a significant incentive for a corporation the size of PacifiCorp to fully perform the work. However, in light of PacifiCorp's effort to compromise on this issue, I will propose, subject to management approval, a \$400,000 work takeover stipulated penalty. If that figure is acceptable to PacifiCorp, I will make the changes we have agreed to and will route the proposed agreement for management approval. I will be out of the office starting tomorrow, returning on June 7th.

Sincerely,

Matthew Cohn
Legal Enforcement Program

cc: Kelcey Land, ENF-L
Floyd Nichols, EPR-ER

